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ABSTRACT

A structural approach which focuses on social and economic conditions under which poverty exists and which de-personalizes causes is used to study the extent and trends of poverty in general and Maine in particular. The 1980 Census reported that 13% of Maine's population was poor, but since income in Maine is generally low many people fall in and out of poverty with only slight changes in their situation. Half of Maine's poor are adults of working age (18-64). The largest single factor contributing to poverty among adults is under-employment. Wages in Maine have traditionally been much lower that the national average and the number of low-wage jobs is increasing. Emergence of the two-worker household has increased family income and stablized the poverty rate somewhat. Changes in the role of women as workers outside the home have outstripped their opportunity to earn wages, and concerns over a trend toward "feminization of poverty" are not unfounded. Although family planning and other programs have resulted in reduced family size, the number of children living in poverty remains unchanged; Maine's rural communities in particular have high rates of poverty. The appendix contains Maine maps and rural/suburban/urban demographic comparisons. (BRR)

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POVERTY IN MAINE: RECENT TRENDS AND COMPARATIVE URBAN -- RURAL AND REGIONAL DISPARITIES

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Poverty
Trends
Rural-Urban

Paper presented at the National/Second International Institute on Social Work in Rural Areas (9th, Orono, ME, July 28-31, 1984).

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POVERTY IN MAINE

Precis

This study was undertaken to determine (1) who is poor, how many people are poor, and why people are poor today, and (2) to assess how these factors have changed since poverty became an issue of elevated public concern in the mid 1960's.

A structural approach is used, which places focus upon the social and economic conditions under which poverty exists, and which regards the causes of poverty to be structural conditions within the economy and in society rather than as personal attributes of the poor.

The research points out the factors contributing to poverty and the emerging trends and calls for a re-assessment of public policy.

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INTRODUCTION

Since poverty in America became an issue of public concern in the 1960's, many changes have occurred. The population is different today. The economy is different. Our lifestyles have changed. Many of the factors that determine who is poor, how many people are poor, and why people are poor are not the same as they were in 1960, or even in 1970.

Today there are 10,000 more people living in poverty in Maine than were poor in 1970. Nationally, there are over 2 million more people living in poverty by 1980. The decline in the poverty rate that occurred in the 1960's did not continue into the 1970's. Public social policies were geared toward reducing the suffering associated with poverty, not toward reducing poverty itself.

Therefore, it is time to look again at poverty in Maine - to see what changes have occurred, to determine why poverty still exists, and to formulate a new approach that will reduce the level of poverty.

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METHOD AND APPROACH

Being poor is often perceived by the general public, and by the poor themselves, as a weakness or personal failing, rather than as a function or product of a social and economic structure that permits inequalities to exist and that does not provide adequate resources for all to enjoy a minimum standard of living. This attitude toward poverty was implicit in past research.

This study differs in that it takes a structural approach in which focus is placed on the social and economic conditions under which poverty exists and identifies the factors that cause or set the stage for poverty to occur. It is hypothesized that such factors as age, sex, race, do not "cause" people to be poor. But, rather, when resources are scarce and where no mechanism exists to distribute them equally, certain groups will be less able to compete and the choice of "who gets what" will not always be rational.

Such an approach should lead to a strategy for reducing poverty that requires social and economic change to occur which will break down barriers and attitudes and which will increase economic opportunities and access for the poor.

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EXTENT OF POVERTY

The size of the population in need or at risk is central to understanding the character of poverty and its effect on Maine people. However, the full extent of poverty is difficult to measure.

Poverty is more extensive than statistics indicate. The 1980 Census reported that 13% of the Maine population (141,000 people) are poor. A rate, however, is an average for a given point or period of time. Because income in Maine is generally low, many more people can be defined as "near poor." Many of the near poor fall in and out of poverty with only slight changes in their situation. Several known facts suggest the magnitude of the problem. Nearly one person in five who worked in 1979 was unemployed at some point during the twelve month period. However, the annual monthly average unemployment rate was less than 10%[1]. The Maine Department of Human Services reports an average monthly AFDC caseload of 50,000 people but estimates that as many as three times that number have been served in a 12 month period[2]. A study conducted by University of Michigan researchers found that half of all recipients of AFDC are short term cases and that one quarter of the state population had received support from the program at some time during a ten year period[3].

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The standard of living of people near poverty is not significantly different from that of people with income below the poverty line. The number of "hard core" poor appears to be small but the number of people concentrated at and near the poverty line (at risk) is substantial.

EMERGING TRENDS

The poor have generally been thought to be those who are unable to provide for themselves through traditional means: children, elderly, handicapped or disabled, large families, and single parents with small children. These sectors of the population continue to have greater rates of poverty than average and need special attention. At the same time, a large, and growing number are adults between the ages of 18 and 44. The population of this age group increased by 35% since 1970 and the number below poverty increased by 52% (from 33,000 to over 50,000). Today half of the poor are adults of working age (18-64).

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The largest single factor contributing to poverty among adults is under-employment. Half of the jobs in Maine are not full time. The poverty rate among under-employed adults is four times greater than the rate for adults with full time jobs. Part time work has increased twice as fast as full time jobs and account for a third of all jobs created in Maine in the 1970's. This trend is expected to continue, thus decreasing the availability of full employment opportunities.[4]

A second factor contributing to poverty is low wages. Through recent years, wages in Maine have been much lower than the national average, and the number of low wage jobs is increasing. Ninety percent of the jobs created in Maine in the 1970's were in sectors which generally pay below average wages.[5]

The emergence of the two-worker household in the 1970's has served to increase family income and to stablilize the poverty rate somewhat. A second income has become essential to maintaining the standard of living considered desirable today. However, the number of single person households and single parent families is growing and is expected to increase throughout the 1980's. Since there is, at best, only one worker in such households, they are at a severe disadvantage. The income of single person households and single parent families is much lower and the gap is expected to widen.

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It is projected that the trend toward job growth in seasonal and low wage occupations established in the 1970's will continue through the 1980's if intervention does not occur.[6] Potential problems may also arise from the expansion of part time and temporary employment due to lack of employee benefits such as health insurance and retirement plans, futher reducing the standard of living both today and at the time of retirement.

Women have entered the labor force in record numbers since 1970. However, they are largely concentrated in jobs traditionally held by women (sales clerks, service workers, clerical positions, factory machine operators, and teaching) which pay low wages and offer less than a full employment. Because women are more often under-employed as a group, the average earnings of women is only 52 cents in every dollar earned by men. The discrepancy betweeen income of men and women widens as educational attainment increases.

Efforts to break through traditional occupational barriers and to reduce the gap in earnings between men and women is constrained by the fact that most of the growth in employment has been, and is expected to continue to be, in low wage occupations.[7]

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Women make up a larger share of the poor (58%) and their proportion can be expected to increase in the future, not because of traits inherent to women, but because of the changing social structure in which women find themselves. Because of their longer life expectancy, women will continue to make up a growing share of the elderly population.

Women who have worked, typically have done so to supplement the family income, not to develop a career. When the family unit breaks down they are not in a position to earn a sufficient income. The position of women in the labor force is changing as more women seek non-traditional jobs and develop professional careers. However, this trend lags behind the rapid social changes that have occurred in family composition and lifestyle. Many women will likely be caught in this gap in the next few years. Concerns of a trend toward "feminization of poverty" are not unfounded.

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The lack of further progress in reducing the poverty rate and the increase in the number of poor in the 1970's is a reversal of the 1960's trend when the poverty rate was reduced by nearly 50%. Since guidelines for determining poverty are based upon the relationship of family size to income, a significant decline in family size in the 1960's served to increase the per capita income and reduce poverty without significant improvement in real earnings. Today large families are not a factor in the poverty rate.

Public policies and resulting public investment in family planning services and educational programs to encourage lower income households to have fewer children, and the general public concern about over-population have resulted in reduced family size and have achieved a net decline in the number of children in the State. The number of children living in poverty has remained unchanged, however.

The "War On Poverty" proved effective in achieving several important social changes: family size declined, participation of women in the labor force increased, services to the poor were expanded, the income of some sectors of the population in poverty was improved. However, little achievement was made in expanding economic opportunity and helping the poor gain access to resources and power.

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Poor economic conditions in the 1970's halted further decrease in poverty. The number of families increased rapidly as the children of the post war "baby boom" formed families of their own, and the number of families below poverty increased by 12% by 1980.

This increase is a factor in the rising level of poverty among young adults today. Historically, Maine has had a net out-migration, especially among the young adult population. In the 1970's a net in-migration ocurred for the first time since the turn of the century.[8] The economy did not expand sufficiently to accommodate such growth. Many of the children who were poor in 1960 are the young adults living in poverty today.

The rate of poverty among the elderly declined substantially in the 1970's. Major changes in the Social Security and Medicare programs were instrumental to reducing poverty among the elderly. In addition, recent retirees have a longer history of payment into the Social Security program and are therefore entitled to more benefits than those that retired prior to 1970. Improved benefits will enable the elderly to keep pace financially. However, current plans to reduce benefits to the elderly to stabilize the ailing Social Security System could have a net effect of increasing poverty once again among the elderly by the end of the 1980's.

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REGIONAL DISPARITIES

The level of poverty and economic distress varies with the general health and strength of the local area and with the relative degree of isolation/access to goods and services. Further, the rate of poverty within each area varies with the type of community (i.e. its relative urban-suburban rural character and function within the region).[9]

Maine's rural communities have higher rates of poverty. The population of rural communities has lower average educational attainment, lower income, and is more likely to be employed in blue collar jobs - even when commuting to work elsewhere. Households in rural areas are less likely to be headed by a single female parent, but they are much more likely to be poor if they are. Rural families are more likely to be poor if headed by an elderly person as well.

During the 1970's, regional shifts in population growth and in economic development have had a significant effect on poverty. The poverty rate has declined in Aroostook and Washington Counties. Significant public investment, though costly on a per capita basis, served to improve and to stabilize the economies of these two counties.[10]

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On the other hand, conditions have worsened in the Somerset and Waldo County areas, primarily due to their lack of economic diversification and to especially adverse conditions in the industries which dominate the economy of the Cental Maine region. Washington County, long notorious for its position as one of the poorest counties in the nation, is now second poorest in Maine. Worsening conditions in Waldo County have gained it the status of having the lowest per capita income in Maine in the 1980's.[11]

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FOOTNOTES

1. Maine Department of Labor, Annual Labor Force Statistics

2. Maine Department of Human Services, Income Maintenance Unit Monthly Reports.

3. University of Michigan, Panel Study of Income Dynamics 1969-78.

4. Maine State Planning Office, The Maine Economy: A Forecast to 1990. December, 1982.

5. ibid

6. ibid

7. ibid

8. _____, Socio-Economic Characteristics for Maine's Counties and Regions, December 1979.

9. _____, Economic Distress and the Changing Nature of Rural Maine, 1982.

10. _____, Public Investment and Resources Targeting in Maine, 1970-81, 1982.

11. U.S. Department of Commerce, Bureau of Economic Analysis.

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APPENDIX

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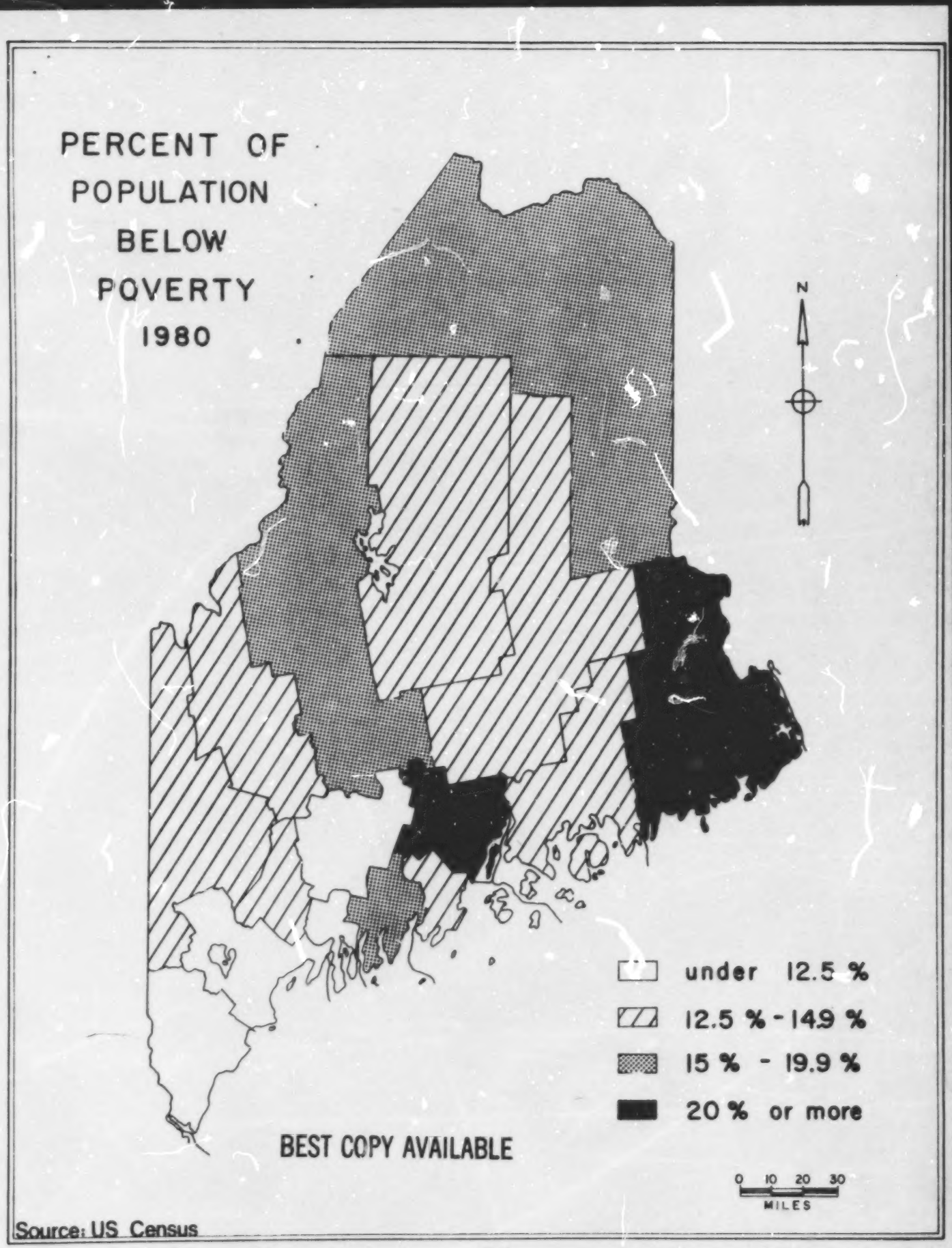
PERCENT OF
POPULATION
BELOW
POVERTY
1980
N
under 12.5 %
12.5 % - 14.9 %
15 % - 19.9 %
20 % or more
0 10 20 30
MILES
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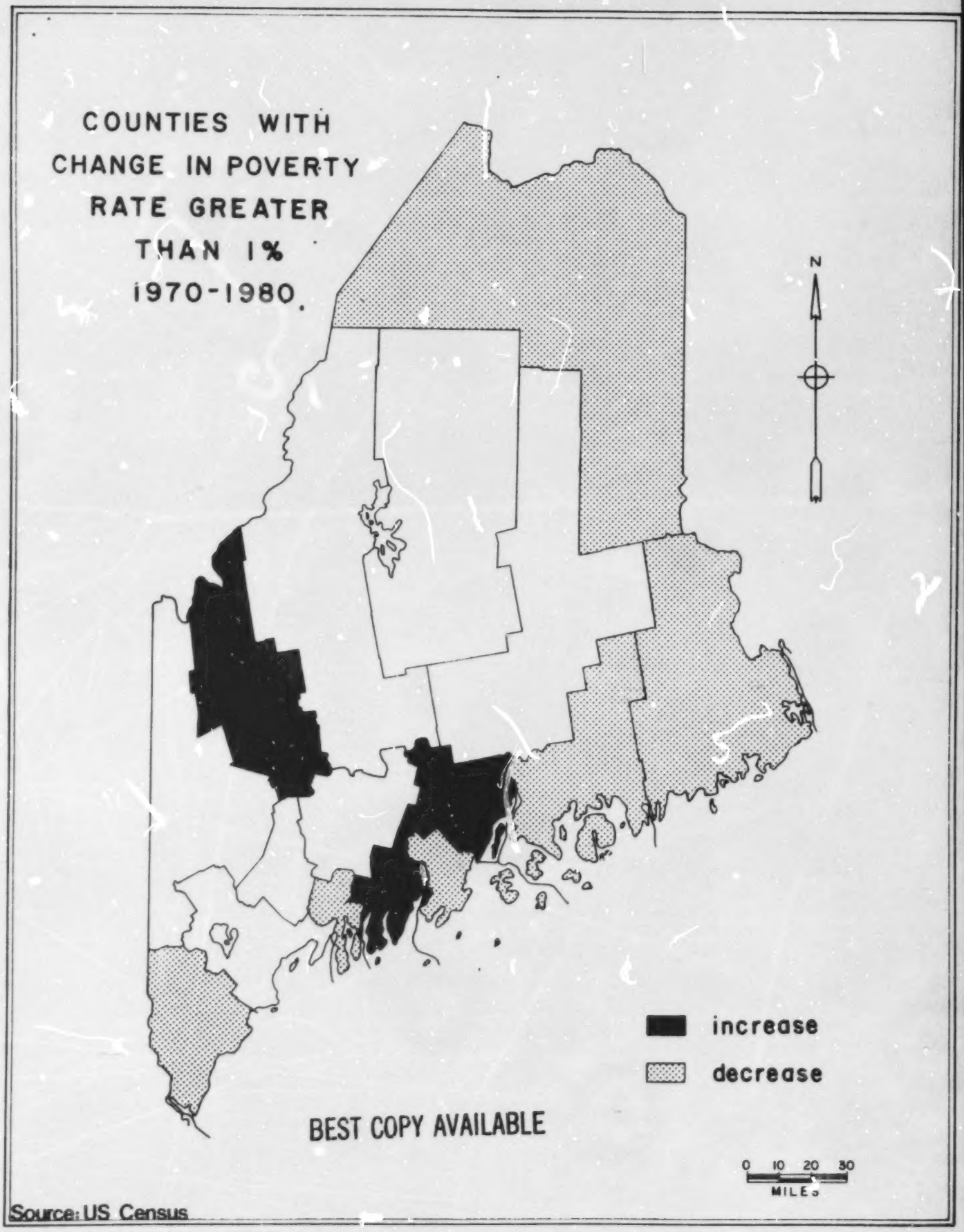
Source: US Census



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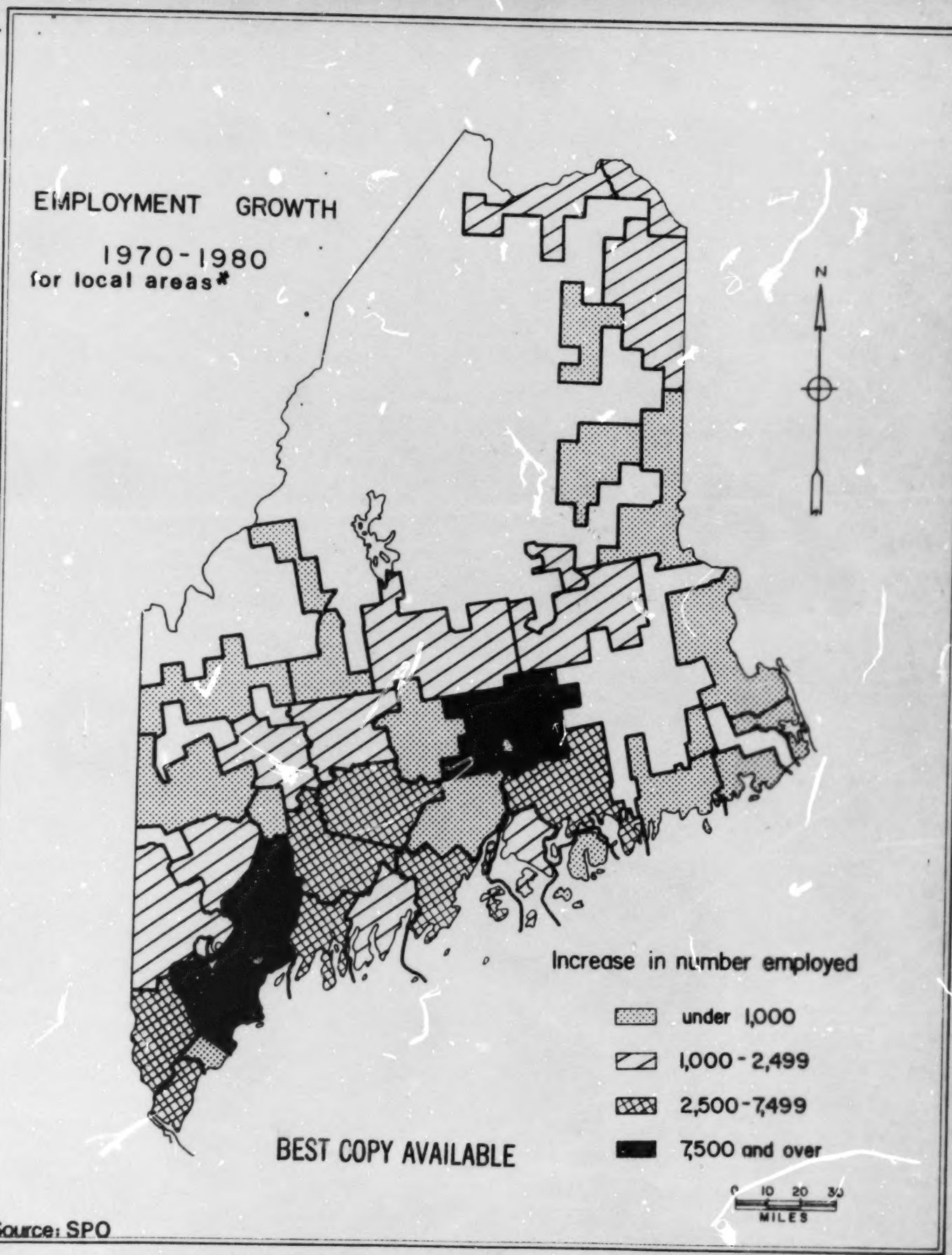

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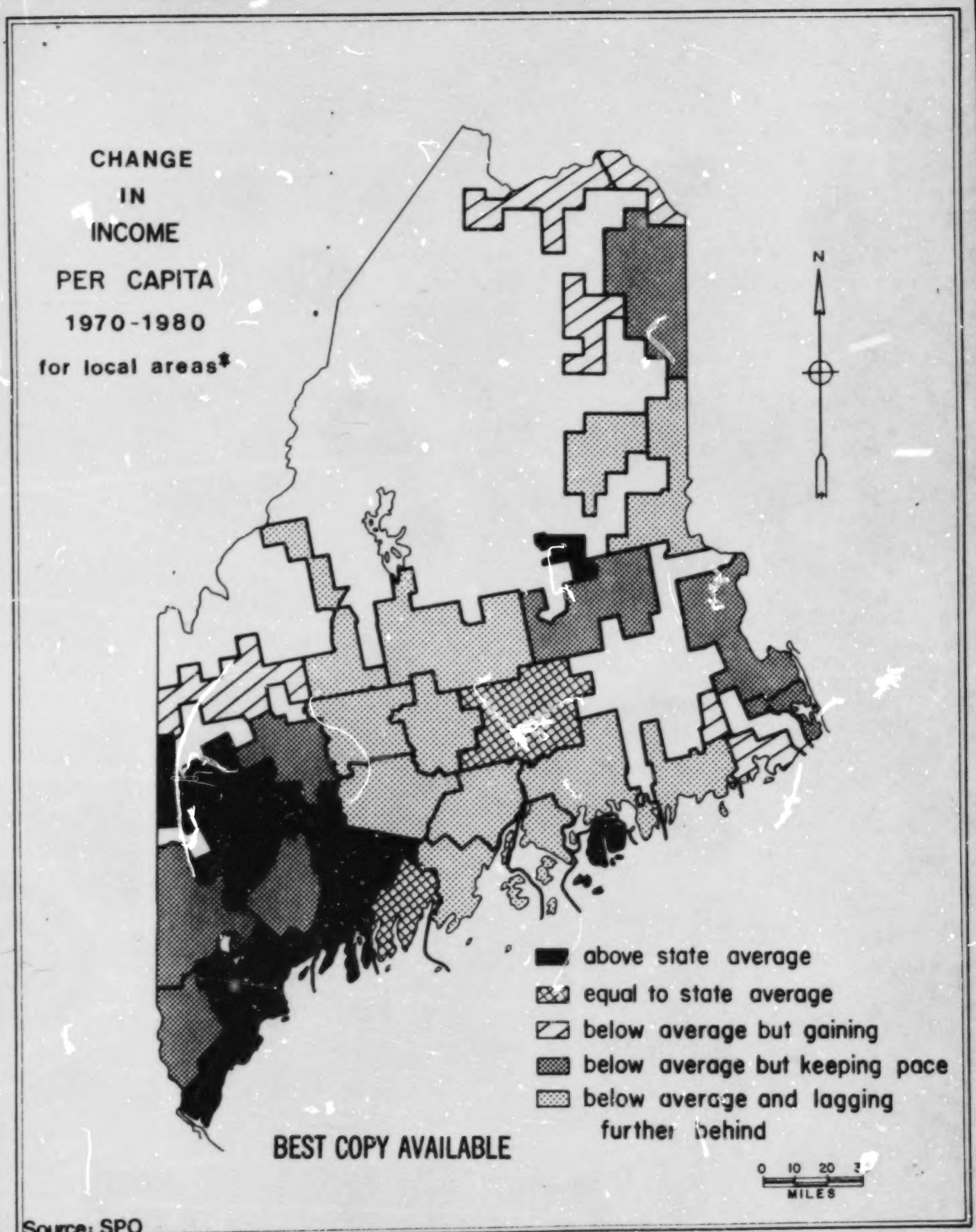

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TABLE 1

SUMMARY OF POVERTY - RELATED CHARACTERISTICS

FOR MAINE COMMUNITIES

BY TYPE OF COMMUNITY

	RURAL	SUBURBAN	URBAN
PERCENT BELOW POVERTY	17%	12%	12%
PERCENT OF FAMILIES BELOW 125% OF POVERTY	21%	15%	14%
PERCENT OF NON-FAMILY HOUSEHOLDS BELOW 125% OF POVERTY	50%	43%	43%
POVERTY RATE AMONG ELDERLY	22%	17%	15%
POVERTY RATE AMONG CHILDREN	20%	15%	15%
POVERTY RATE AMONG HOUSEHOLDS WITH HEAD AGE 65+	25%	18%	18%
PERCENT OF HOUSEHOLDS HEADED BY PERSONS AGE 65+	22%	20%	23%
EDUCATIONAL ATTAINMENT:			
% WITH 8 YRS OR LESS	19%	14%	17%
% WITHOUT A HIGH SCHOOL DIPLOMA	35%	29%	31%
% WITH 12 YRS OF EDUCATION	40%	41%	39%
% COLLEGE GRADUATE	12%	14%	15%

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		RURAL	SUBURBAN	URBAN
PERCENT OF ADULTS IN LABOR FORCE:	MALE	77%	81%	81%
	FEMALE	52%	58%	58%
PERCENT WORKING FULL TIME:	MALE	57%	65%	61%
	FEMALE	28%	35%	36%
PERCENT WITH UNEMPLOYMENT		18%	17%	18%
LESS THAN 1 MO. DURATION		21%	26%	29%
OVER 15 WEEKS DURATION		46%	38%	37%
PERCENT OF LABOR FORCE IN FARM/FOREST/FISH OCCUP'S.		10%	5%	2%
PERCENT OF WORKERS SELF-EMPLOYED		14%	10%	7%
PERCENT OF FAMILIES WITH 2 OR MORE WORKERS		52%	57%	56%
PERCENT OF FAMILIES WITH FEMALE HEAD		8%	9%	14%
PERCENT OF FEMALE HEADED HOUSEHOLDS BELOW POVERTY		37%	29%	30%
PERCENT OF WOMEN WITH CHILDREN IN LABOR FORCE		48%	55%	58%
WITH CHILDREN UNDER 6		38%	45%	47%
WITH CHILDREN AGE 6-17		56%	62%	66%
TYPE OF HOUSING STOCK:				
SINGLE FAMILY		81%	78%	60%
MULTI FAMILY		4%	5%	23%
MOBIL		12%	13%	6%
OWNER OCCUPIED		84%	84%	65%
RENTER OCCUPIED		16%	16%	35%

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	RURAL	SUBURBAN	URBAN
PERCENT OF HOUSING BUILT BEFORE 1939	48%	34%	51%
PERCENT LACKING COMPLETE PLUMBING	15%	8%	5%
PERCENT OF HOMES USING WOOD FOR PRIMARY HEATING FUEL	31%	24%	9%
PERCENT USING OIL	60%	61%	76%

SOURCE: 1980 Census Summary Tapes

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